



Date: June 1, 2012

To: Thomas J. Bonfield, City Manager
From: Karmisha R. Wallace, Assistant to the City Manager
Subject: Change in Federal Aviation Administration Discretionary Grant Approval

Executive Summary

The Raleigh-Durham Airport Authority (the “Authority”) receives Airport Improvement (“AIP”) grants from the Federal Aviation Administration (“FAA”) for the planning and development of Raleigh-Durham International Airport (the “Airport”). The FAA distributes entitlement and discretionary funds. The Airport is currently required to obtain grant approval from each “Governing Entity” - Durham County, Wake County, City of Raleigh, and City of Durham. Fulfilling this requirement often takes a longer amount of time than what the FAA allows. In recent conversations, the FAA has agreed to accept a blanket approval from each Governing Entity in an effort to expedite the grant award process.

Recommendation

The Administration recommends that City Council authorize the City Manager, or his designee, to execute all Federal Aviation Administration (FAA) documents and give the assurances necessary to accept FAA Discretionary Grants to be utilized by the Raleigh-Durham Airport Authority at the Raleigh-Durham International Airport, and to authorize the City Attorney, or his designee, to execute all related documents and give the related assurances.

Background

The FAA distributes grants to airports in two rounds: entitlement and discretionary. AIP funds are typically first apportioned into major entitlement priority categories such as primary, cargo, and general aviation. Remaining funds are distributed to a discretionary fund and distributed according to a national prioritization formula. Often, discretionary funds are distributed by the FAA unexpectedly and under strict time constraints.

Due to the nature of the Authority and the ownership of some Airport lands, the FAA has, in the past, required that the “Governing Entities” each take action to accept funds and provide the required assurances for each individual grant given to the Authority. This has, in turn, required the Authority to arrange to be added to the meeting agendas of and to appear at the meetings of the four Governing Entities each time a grant is received. Also during this time period, the Authority has to schedule its own public meeting at which a similar action is taken. The order and timing of these five meetings occurs in the most expeditious manner possible, given the meeting schedule of each public body.

The time required to appear at the meetings of the Governing Entities is often longer than the time given to meet the FAA’s requirements to accept a discretionary grant. The strict time constraints involved with discretionary grants means that the Authority is not able to accept

some discretionary grants, and grant funds that could have benefitted the Airport go elsewhere. By way of example, since 1982, Charlotte Douglas International Airport has received \$150 Million of discretionary grant funds, compared to \$29 Million received by Raleigh-Durham International Airport during that same time period.

Issues and Analysis

The FAA has agreed to accept a blanket grant approval from each Governing Entity rather than to require approval of each individual grant. This blanket approval would authorize an individual from the Governing Entity and the City/County Attorney to execute grant documents on the Governing Entity's behalf. This blanket approval would also authorize acceptance of the FAA's required grant assurances. The Authority will still be required to approve each individual grant, execute the accompanying grant documents, and accept the FAA's grant assurances.

Alternatives

The City Council could deny the City Manager and City Attorney authority to execute documents relative to the Raleigh-Durham Airport Authority's receipt of grants from the Federal Aviation Administration (FAA). If that authority is not granted, the Raleigh-Durham Airport Authority would continue to request approval from the City Council for each FAA grant award.

Financial Impact

Granting this authority does not financially obligate the City.

SDBE Summary

SDBE Requirements do not apply to this item.

Attachments

None